



Treasurer Shawn T. Wooden

TESTIMONY SUBMITTED TO THE GOVERNMENT ADMINISTRATION AND ELECTIONS COMMITTEE
MARCH 10, 2021

Senator Flexer, Representative Fox, and members of the Government Administration and Elections Committee, thank you for the opportunity to submit testimony in support of **Senate Bill 1012 An Act Concerning Operations of the State Treasurer**, **Senate Bill 759 An Act Concerning Gender Neutrality in the State Constitution**, and **Senate Bill 753 An Act Concerning the Counting of Incarcerated Persons for Purposes of Determining Legislative Districts**.

Senate Bill 1012 An Act Concerning Operations of the State Treasurer

This bill makes several changes to enhance the operations of the Office of the Treasurer. Four of the five changes were proposed in a bill last year that did not proceed due to the shortened session.

Sections 1 and 2 amend the bonding authority of the recently created Connecticut Municipal Redevelopment Authority (MRDA) to align with other quasi-public agencies. Currently, MRDA has the authority to issue bonds that are automatically guaranteed by the State. Generally, quasi-public agencies have limited bond issuance authority that requires the establishment of a Special Capital Reserve Fund and authorization from the Office of the Treasurer. This bill would remove the unchecked authority to issue bonds backed by the full faith and credit of the State and give MRDA the same bonding authority as other quasi-public agencies.

Section 3 requires state agencies to notify the Office of the Treasurer of reportable financial obligations to ensure compliance with recent U.S. Securities and Exchange Commission (SEC) disclosure requirements. In February of 2019, the SEC implemented new regulations governing public disclosure requirements for public debt issuers. The new regulations require additional reporting upon the incurrence of material financial obligations or other commitments. Failure to report this information within 10 days requires the reporting of the failure on all bond offering documents for the next five years, which could undermine investor confidence on state disclosure. Currently, there is no mechanism for the Office of the Treasurer to be alerted to financial obligations that would be reportable under these new SEC requirements. This bill would create such a mechanism.

Sections 4 through 10, 12, 14, and 15 repeal statutory references to the Tax Exempt Proceeds Fund (TEPF), including the requirements of reporting on the TEPF in the Treasurer's Annual Report. The Tax Exempt Proceeds Fund no longer exists. These references are obsolete, and the reporting requirement wastes staff time and resources.

Section 11 removes the Treasurer from the Regional School District Committee. The Regional School District Committee was established in 1963 to study issues relating to withdrawal or dissolution of a regional school district in the event that a regional school district actively seeks to disband. The Office of the Treasurer has no expertise in such matters and this bill would remove the office from the committee.

Section 13 is a new section and makes clear that the Office of the Treasurer is required to review and approve of the sale or lease of all state property. This review is necessary to ensure the preservation of

the tax-exempt status of any bonds issued to finance the State property. Currently, the review requirement of the Office of the Treasurer is not consistent across agencies. This section closes this gap and ensures the necessary review is consistent.

Senate Bill 759 An Act Concerning Gender Neutrality in the State Constitution

This bill would establish a task force to review and identify gendered language in the State Constitution and make recommendations to change the language to gender neutral. I support this effort and commend the proponents for raising this issue. Representation matters, and we know that the words we use have an impact on our biases and expectations. This bill ensures that Connecticut's most important governing document embodies the values it enshrines.

Senate Bill 753 An Act Concerning the Counting of Incarcerated Persons for Purposes of Determining Legislative Districts

This bill would end the practice of prison gerrymandering, which counts incarcerated individuals as official residents of the town in which they are confined, not their last town of residence. Because the State relies on U.S. Census numbers to redistrict, Connecticut districts that include correctional facilities are over-represented in the legislature. For example, the 59th State House district in Enfield claimed more than 3,300 Black and Latino constituents, despite the fact that 72% of the African Americans and 60% of Latinos were incarcerated. The reverse is true as well – urban districts are underrepresented, and their political power is diminished because residents that are temporarily incarcerated are not counted as residents.

The policy of the U.S. Census to count individuals where they are incarcerated also impacts the allocation of federal resources that are based on these misleading figures. While we cannot change the U.S. Census policy on the state level, we can change the formula for how we determine legislative districts. This is a fundamental issue of fairness and accurate representation in Government.

Thank you again for the opportunity to testify in support of **S.B. 1012, S.B. 759, and S.B. 753**. I urge the committee to act favorably.